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VILLAGE OF LILAKE, LOUISIANA

Financial Statements

June 30, 2002

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the entity and other appropriate public officials. This report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-7-04

Marsha G. Milligan
Certified Public Accountant
Shreveport, Louisiana

VILLAGE OF LILINE, LOUISIANA

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Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

Independence Auditor's Report

The Honorable Mary Farrer, Mayor
and Members of the Board of Aldermen
Baton Rouge, Louisiana

I was engaged to audit the accompanying general purpose financial statements of Village of Lillie, Louisiana, as of and for the year ended June 30, 2003. These general purpose financial statements are the responsibility of Village of Lillie, Louisiana management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Because of the lack of effective internal accounting controls and inadequacy of documentation supporting account balances, I was unable to obtain sufficient, competent, evidential matter to enable me to express, and I do not express, an opinion on the financial statements referred to in the first paragraph.

In accordance with Government Auditing Standards, I have also issued a report dated November 23, 2003, as my consideration of Village of Lillie, Louisiana's internal control structure and its compliance with laws and regulations.



Certified Public Accountant
November 23, 2003

VILLAGE OF MILLIE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Group

June 30, 2002

<u>Assets</u>	<u>Governmental Fund Type General Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Totals (Memorandum Only)</u>
Cash	\$ 14,135	\$ -	\$ 14,135
General Fixed Assets	-	490,045	490,045
Total Assets	\$ 14,135	\$ 490,045	\$ 504,180
 <u>Liabilities and Fund Equity</u>			
Liabilities			
Payroll taxes payable	\$ 1,927	\$ -	\$ 1,927
Fund Equity:			
Investments in general fixed Assets	-	490,045	490,045
Fund balance - unreserved	15,288	-	15,288
Total liabilities and fund equity	\$ 16,215	\$ 490,045	\$ 506,260

See accompanying notes to financial statements.

VILLAGE OF LILABE, LOUISIANAStatement of Revenues, Expenditures and Charges
in Fund Balance - General FundYear Ended June 30, 2022

Revenues:	
Licenses and Permits	\$ 9,018
Fines and Penalties	14,623
Miscellaneous	<u>2,981</u>
Total revenues	<u>46,622</u>
Expenditures:	
Current:	
General government	9,839
Public safety	<u>42,502</u>
Total expenditures	<u>52,341</u>
Excess of expenditures over revenues	(4,414)
Fund balance at beginning of year	<u>21,622</u>
Fund balance at end of year	<u>\$ 15,208</u>

See accompanying notes to financial statements.

VILLAGE OF LILLIS, LOUISIANA

Notes to Financial Statements June 30, 2022

The Village of Lillis, Louisiana was incorporated under the provisions of the Louisiana Act. The Village operates under a Mayor-Board of Aldermen form of government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Village of Athens, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government entities.

The following is a summary of the more significant accounting policies:

Reporting Entity. These financial statements include all funds and account groups over which the Village exercises control, authority, management, influence or accountability. Control by or influence over by the Town was determined on the basis of budget, adoption, taking authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Fund Accounting. The accounts of the Village of Athens, Louisiana, are organized on the basis of funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including acquisition or construction of general fixed-assets (capital project funds).

(Continued)

VILLAGE OF LILLIE, LOUISIANA

Notes to Financial Statements June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The general fund is used to account for all activities of the general government not accounted for in some other fund. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or service from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Basis of Accounting. The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes available if they are collected within sixty days after year-end. A one-year availability period is used for revenue recognition for all other related fund liability is incurred. Those revenues susceptible to accrual are property taxes, franchise taxes, interest revenue and charges for services. Fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Budgetary and Budgetary Accounting. The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

Prior to July 1, the Mayor submits to the Board of Aldermen a proposed budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.

(Continued)

VILLAGE OF LEBLANC, LOUISIANA

Notes to Financial Statements
June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The budget is legally enacted through passage of a resolution.

Budgetary amendments involving the transfer of funds from one department, program or function to another or amendments involving increases in expenditures require the approval of the Board of Aldermen.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgeted amounts presented in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

Property, Plant, and Equipment. The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included in their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Property, plant and equipment used in governmental fund type corporations (general fixed assets) are accounted for in the general fixed assets account group, and are recorded as expenditures in governmental fund types when purchased. Public domain "infrastructure" general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general assets. No depreciation has been provided on general fixed assets.

All property, plant, and equipment are stated at historical cost, or estimated cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

(Continued)

VILLAGE OF STONE, LOUISIANA

Notes to Financial Statements
December 31, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment (Continued):

The account group is not a fund. It is concerned only with the measurement of financial position and is not involved with the management of results of operations.

Total Columns on Combined Statements - Overview. Total columns on the combined statements - overview are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. FIXED ASSETS:

A summary of general fixed assets follows:

Buildings	\$ 50,000
Equipment	7,868
Vehicles	237,348
Water Tower	223,833
Land	<u>1,000</u>
Total fixed assets	<u>\$ 490,049</u>

3. COMPENSATION PAID - MAYOR AND BOARD OF ALDERMEN:

Compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2002 is as follows:

Mary Farrar, Mayor	\$ 1,200
Gerndolyn Lee	600
David Washam	600
Damon Lee	<u>600</u>
Total	<u>\$ 3,000</u>

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mary Farrar, Mayor
and Members of the Board of Aldermen
Village of Lillie, Louisiana

I have audited the financial statements of Village of Lillie as of and for the year ended June 30, 2003, and have issued my report thereon dated November 20, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Village of Lillie's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items #1, #2, and # 4.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Village of Lillie's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Village of Lillie's ability to

record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item #3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

However, I believe reportable condition #3 described above to be a material weakness.

This report is intended solely for the information and use of management, the Board of Aldermen, and federal and state cognizant agencies and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant
November 23, 2003

VILLAGE OF MILLIE, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2001

FINDING # 1:

Condition:

The Village did not have policies or procedures in place to ensure that all traffic tickets are properly accounted for, recorded, and deposited.

Criteria:

The Village failed to properly account for revenue from traffic tickets. Receipts were not reconciled to tickets, the ticket logbook, or bank depositor bank deposits were not made on a timely basis.

Cause:

Lack of employees and segregation of duties.

Recommendation:

I recommend the Village implement policies and procedures to ensure that all revenue from traffic tickets is properly accounted for and that receipts be reconciled to tickets, the ticket logbook, and bank deposits.

Management's Response:

We will implement policies and procedures to ensure that all revenue from traffic tickets is properly accounted for and receipts will be reconciled to tickets, the ticket logbook, and bank deposits.

Finding # 2:

The Village did not file its annual financial statements with the Legislative Auditor within the time frame required by State Law.

Condition:

The Village is in violation of State Law.

Cause:

The books and records of the Village were in the custody of the District Attorney and were not returned in time to file annual financial statements within the time frame required by State Law.

Recommendation:

The Village should file its annual financial statements within the time frame required by State Law.

VILLAGE OF ILLIC, LOUISIANA

Schedule of Findings (Continued)

Year Ended December 31, 2002

Management's Response:

We will file our annual financial statements within the time frame required by State Law.

FINDING #3

Condition: The segregation of duties is inadequate to provide effective internal control. This is a repeat finding.

Criteria: The books and records were not maintained in a manner to permit an audit in accordance with generally accepted auditing standards.

Cause:

The condition is due to space and economic limitations.

Recommendation:

No action is recommended.

Management's Response and Corrective Action Plan:

We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

FINDING #4:

Condition: The Village did not adopt a budget for all Village funds.

Criteria: The Village did not adopt a budget for law enforcement.

Cause:

A budget for law enforcement was not prepared by Village officials.

Recommendation:

I recommend a budget be adopted for all Village funds as required by State Law.

Management's Response and Corrective Action Plan:

We will adopt a budget for all Village funds in the future.